

**TOWN OF FLETCHER, OKLAHOMA and
FLETCHER PUBLIC WORKS AUTHORITY and
FLETCHER ECONOMIC DEVELOPMENT AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Fletcher
Fletcher, Oklahoma

Trustees of the Fletcher Public Works Authority
Fletcher, Oklahoma

Trustees of the Fletcher Economic Development Authority
Fletcher, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Fletcher, Fletcher Public Works Authority and Fletcher Economic Development Authority, Fletcher, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2022, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Grant Fund-Modified Cash Basis, Fletcher Public Works Authority and Fletcher Economic Development Authority-Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements and schedules.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the modified cash basis of

accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's and Authority's assets, liabilities, fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

We have performed the procedures enumerated below which were agreed to by the specified users of the report as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and the Authorities in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Fletcher, the Fletcher Public Works Authority, and the Fletcher Economic Development Authority is responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Fletcher, the Fletcher Public Works Authority, and the Fletcher Economic Development Authority has agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance requirements with specific legal or contractual requirements for the fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the **Town of Fletcher** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: General Fund in total did not exceed appropriations. The Town underbudgeted expenses for capital outlay in the amount of \$22,500.

Findings: Auto Tax Fund in total did not exceed appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$18,860.

Findings: Grant Fund in total did not exceed appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$4,514.

Findings: Fire Department. Equipment Fund in total did not exceed appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$9,849 and debt service in the amount of \$6,031.

Findings: Recreation Project Fund in total exceeded appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$4,510 and capital outlay in the amount of \$29,463.

Findings: Rainy Day Fund in total did not exceed appropriations. The Town underbudgeted expenses for transfers to other funds in the amount of \$23,000.

Findings: Police Department Fund in total did not exceed appropriations. The Town underbudgeted expenses for transfers to other funds in the amount of \$26,837.

All budgets except the General Fund allocate appropriations to current expense instead of expenditure categories.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: In the General Fund checking account, outstanding checks totaling \$1,703 were omitted from the June bank reconciliation and the town's trial balance.

Findings: In the Recreation Project Fund checking account, outstanding deposit of \$200 was omitted from the June bank reconciliation and the town's trial balance.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Town did not have sufficient collateral pledged to cover the uninsured deposits in the bank that were in excess of FDIC coverage. The amount uninsured at year end was \$139,242.

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Town had no contractual or debt service requirements. This procedure does not apply.

As to the **Fletcher Public Works Authority and the Fletcher Economic Development Authority**, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances - modified cash basis for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance were noted.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: There is a \$10 per utility user monthly fee for sewer expenses per Ordinance No. 02-01-15. The Authority believes this was intended to be just a sewer charge for services and not a restricted fee. The ordinance language calls it a fee and can be interpreted as a restricted source of revenue. The sewer expenditures are not separated from the other utility expenses. The records are not adequate to know if the sewer fees were spent for restricted purposes. However, in 2023, an ordinance was approved that replaced and amended the sewer fee as a monthly minimum charge.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required reserve balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

As to the **Town of Fletcher, Fletcher Public Works Authority and Fletcher Economic Development Authority** grant programs, as of and for the fiscal year ended June 30, 2022:

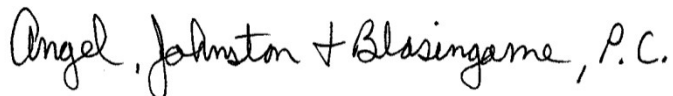
1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No instances of noncompliance were noted.

We were engaged by the Town of Fletcher, the Fletcher Public Works Authority and the Fletcher Economic Development Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town and the Authorities meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Fletcher, the Fletcher Public Works Authority and the Fletcher Economic Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
June 13, 2023

**TOWN OF FLETCHER AND FLETCHER PUBLIC WORKS AUTHORITY
AND FLETCHER ECONOMIC DEVELOPMENT AUTHORITY
Fletcher, Oklahoma**

**SUMMARY OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund	\$ 371,681	\$ 832,091	\$ 725,541	\$ 478,231
Auto Tax Fund	18,110	11,523	18,860	10,773
New Cemetery Fund	6,468	2,955	-	9,423
Perpetual Cemetery Fund	8,322	8	-	8,330
Grant Fund	1,480	104,329	4,514	101,295
Cemetery Care Fund	4,072	423	-	4,495
Fire Department Equipment Fund	10,664	23,120	15,880	17,904
Recreation Project Fund	29,240	17,972	33,972	13,240
Town Subtotal	<u>450,037</u>	<u>992,421</u>	<u>798,767</u>	<u>643,691</u>
AUTHORITY:				
Fletcher Public Works Authority	61,309	427,171	414,025	74,455
Fletcher Economic Dev Authority	26,310	7,305	12,143	21,472
Authority Subtotal	<u>87,619</u>	<u>434,476</u>	<u>426,168</u>	<u>95,927</u>
Overall Totals	<u>\$ 537,656</u>	<u>\$ 1,426,897</u>	<u>\$ 1,224,935</u>	<u>\$ 739,618</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF FLETCHER, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 346,257	\$ 346,257	\$ 371,681	\$ 25,424
Resources (Inflow):				
Taxes:				
Franchise tax	-	-	6,643	6,643
Sales tax	307,843	335,066	400,090	65,024
Alcohol beverage tax	-	-	8,670	8,670
Tobacco tax	-	-	3,338	3,338
Use tax	-	109,091	148,230	39,139
Total Taxes	307,843	444,157	566,971	122,814
Other Revenue:				
Grants	-	-	19,336	19,336
Garbage fees	100,000	132,479	162,462	29,983
Collection fees	-	16,086	18,852	2,766
Permits & other fees	-	-	2,147	2,147
Fines & forfeitures	-	27,963	33,583	5,620
Interest	-	-	289	289
Donations	-	-	1,770	1,770
Miscellaneous	-	65,911	26,681	(39,230)
Total Other Revenue	100,000	242,439	265,120	22,681
Other Financing Sources:				
Transfers from other funds	-	26,837	-	(26,837)
Total Other Financing Sources	-	26,837	-	(26,837)
Total Resources (Inflows)	407,843	713,433	832,091	118,658
Amounts available for appropriation	754,100	1,059,690	1,203,772	144,082
Charges to Appropriations (Outflows):				
Personal services	180,000	230,000	217,614	12,386
Maintenance & operations	485,000	705,590	485,427	220,163
Capital outlay	-	-	22,500	(22,500)
Debt service	38,400	38,400	-	38,400
Contingencies	45,700	45,700	-	45,700
Total Other	749,100	1,019,690	725,541	294,149
Other Financing Uses:				
Transfers to other funds	5,000	35,000	-	35,000
Total Charges to Appropriations (Outflows)	754,100	1,054,690	725,541	329,149
Ending Budgetary Fund Balance	\$ -	\$ 5,000	\$ 478,231	\$ 473,231
Current year encumbrances			-	
Ending Fund Balance			\$ 478,231	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF FLETCHER, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE

GRANT FUND-MODIFIED CASH BASIS

For The Year Ended June 30, 2022

(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 1,480	\$ 1,480	\$ 1,480	\$ -
Resources (Inflow):				
Other Revenue:				
Grants	-	104,328	104,329	1
Total Other Revenue	-	104,328	104,329	1
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	104,328	104,329	1
Amounts available for appropriation	1,480	105,808	105,809	1
Charges to Appropriations (Outflows):				
Maintenance & operations	-	-	4,514	(4,514)
Current expense	1,480	105,808	-	105,808
Total Other	1,480	105,808	4,514	101,294
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	1,480	105,808	4,514	101,294
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 101,295	\$ 101,295
Current year encumbrances			-	
Ending Fund Balance			\$ 101,295	

See Independent Accountant's Report on Agreed-Upon Procedures.

FLETCHER PUBLIC WORKS AUTHORITY AND FLETCHER ECONOMIC DEVELOPMENT AUTHORITY
Fletcher, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Fletcher Public Works Authority	Fletcher Economic Dev Authority
Operating Revenues:		
All utility revenue	\$ 250,288	\$ -
Total Operating Revenue	<u>250,288</u>	<u>-</u>
Operating Expenses:		
Personal services	136,735	-
Maintenance and operations	277,290	2,413
Capital outlay	-	9,730
Total Operating Expenses	<u>414,025</u>	<u>12,143</u>
Operating Income (Loss)	<u>(163,737)</u>	<u>(12,143)</u>
Non-Operating Revenues (Expenses):		
Interest revenue	35	5
Rent	1,650	7,300
Rainy day fees	37,785	-
Miscellaneous	7,763	-
Loan proceeds	129,650	-
Total Non-Operating Revenues (Expenses)	<u>176,883</u>	<u>7,305</u>
Net Income (Loss) Before Transfers	13,146	(4,838)
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Changes in Fund Balance	13,146	(4,838)
Fund Balance - beginning	<u>61,309</u>	<u>26,310</u>
Fund Balance - ending	<u>\$ 74,455</u>	<u>\$ 21,472</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

**TOWN OF FLETCHER AND FLETCHER PUBLIC WORKS AUTHORITY
AND FLETCHER ECONOMIC DEVELOPMENT AUTHORITY
Fletcher, Oklahoma**

**SCHEDULE OF GRANT ACTIVITY
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
Oklahoma Department of Agriculture Fire Operational Grant - FY22	\$ 4,763	\$ -	\$ -	\$ -	\$ 4,763	\$ 4,763	\$ -
Department of Emergency Management FEMA PA-06-OK-4575-PW-00100(118)	18,336	-	18,336	(18,336)	18,336	-	-
FEMA PA-06-OK-4575-PW-00100(378)	3,667	-	3,667	(3,667)	-	-	(3,667)
Oklahoma Code Enforcement Association Community Improvement Grant	1,000	-	-	-	1,000	1,000	-
Association of South Central Oklahoma Governments Fletcher REAP 202211	45,000	40,486	40,486	-	4,513	4,513	-
Fletcher REAP 222233	45,000	-	-	-	-	-	-
U.S. Department of the Treasury American Rescue Plan Act ALN #21.027	200,577	-	-	-	99,816	-	99,816
Town Subtotal	<u>318,343</u>	<u>40,486</u>	<u>62,489</u>	<u>(22,003)</u>	<u>128,428</u>	<u>10,276</u>	<u>96,149</u>
PUBLIC WORKS AUTHORITY:							
None	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT AUTHORITY:							
None	-	-	-	-	-	-	-
Authority Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 318,343</u>	<u>\$ 40,486</u>	<u>\$ 62,489</u>	<u>\$ (22,003)</u>	<u>\$ 128,428</u>	<u>\$ 10,276</u>	<u>\$ 96,149</u>

See Independent Accountant's Report on Agreed-Upon Procedures.